

SENATE, No. 2068

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED MARCH 16, 2020

Sponsored by:

Senator JAMES BEACH

District 6 (Burlington and Camden)

SYNOPSIS

Authorizes temporary waiver from requirement that farm winery use NJ grown fruit.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** concerning winery requirements, amending R.S.33:1-10,
2 and supplementing Title 33 of the Revised Statutes.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. R.S.33:1-10 is amended to read as follows:

8 33:1-10. Class A licenses shall be subdivided and classified as
9 follows:

10 Plenary brewery license. 1a. The holder of this license shall be
11 entitled, subject to rules and regulations, to brew any malt alcoholic
12 beverages and to sell and distribute his products to wholesalers and
13 retailers licensed in accordance with this chapter, and to sell and
14 distribute without this State to any persons pursuant to the laws of
15 the places of such sale and distribution, and to maintain a
16 warehouse; provided, however, that the delivery of this product by
17 the holder of this license to retailers licensed under this title shall be
18 from inventory in a warehouse located in this State which is
19 operated under a plenary brewery license. The fee for this license
20 shall be \$10,625.

21 Limited brewery license. 1b. The holder of this license shall be
22 entitled, subject to rules and regulations, to brew any malt alcoholic
23 beverages in a quantity to be expressed in said license, dependent
24 upon the following fees and not in excess of 300,000 barrels of 31
25 fluid gallons capacity per year and to sell and distribute this product
26 to wholesalers and retailers licensed in accordance with this
27 chapter, and to sell and distribute without this State to any persons
28 pursuant to the laws of the places of such sale and distribution, and
29 to maintain a warehouse; provided, however, that the delivery of
30 this product by the holder of this license to retailers licensed under
31 this title shall be from inventory in a warehouse located in this State
32 which is operated under a limited brewery license. The holder of
33 this license shall be entitled to sell this product at retail to
34 consumers on the licensed premises of the brewery for consumption
35 on the premises, but only in connection with a tour of the brewery,
36 or for consumption off the premises in a quantity of not more than
37 15.5 fluid gallons per person, and to offer samples for sampling
38 purposes only pursuant to an annual permit issued by the director.
39 The holder of this license shall not sell food or operate a restaurant
40 on the licensed premises. The fee for this license shall be graduated
41 as follows:

42 to so brew not more than 50,000 barrels of 31 liquid gallons
43 capacity per annum, \$1,250;

44 to so brew not more than 100,000 barrels of 31 fluid gallons
45 capacity per annum, \$2,500;

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

 Matter underlined thus is new matter.

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1 to so brew not more than 200,000 barrels of 31 fluid gallons
2 capacity per annum, \$5,000;

3 to so brew not more than 300,000 barrels of 31 fluid gallons
4 capacity per annum, \$7,500.

5 For the purposes of this subsection, "sampling" means the selling
6 at a nominal charge or the gratuitous offering of an open container
7 not exceeding four ounces of any malt alcoholic beverage. For the
8 purposes of this subsection, "product" means any malt alcoholic
9 beverage that is produced on the premises licensed under this
10 subsection.

11 Restricted brewery license. 1c. The holder of this license shall
12 be entitled, subject to rules and regulations, to brew any malt
13 alcoholic beverages in a quantity to be expressed in such license not
14 in excess of 10,000 barrels of 31 gallons capacity per year.
15 Notwithstanding the provisions of R.S.33:1-26, the director shall
16 issue a restricted brewery license only to a person or an entity
17 which has identical ownership to an entity which holds a plenary
18 retail consumption license issued pursuant to R.S.33:1-12, provided
19 that such plenary retail consumption license is operated in
20 conjunction with a restaurant regularly and principally used for the
21 purpose of providing meals to its customers and having adequate
22 kitchen and dining room facilities, and that the licensed restaurant
23 premises is immediately adjoining the premises licensed under this
24 subsection. The holder of this license shall be entitled to sell or
25 deliver the product to that restaurant premises. The holder of this
26 license also shall be entitled to sell and distribute the product to
27 wholesalers licensed in accordance with this chapter. The fee for
28 this license shall be \$1,250, which fee shall entitle the holder to
29 brew up to 1,000 barrels of 31 liquid gallons per annum. The
30 licensee also shall pay an additional \$250 for every additional 1,000
31 barrels of 31 fluid gallons produced. The fee shall be paid at the
32 time of application for the license, and additional payments based
33 on barrels produced shall be paid within 60 days following the
34 expiration of the license term upon certification by the licensee of
35 the actual gallons brewed during the license term. No more than 10
36 restricted brewery licenses shall be issued to a person or entity
37 which holds an interest in a plenary retail consumption license. If
38 the governing body of the municipality in which the licensed
39 premises will be located should file a written objection, the director
40 shall hold a hearing and may issue the license only if the director
41 finds that the issuance of the license will not be contrary to the
42 public interest. All fees related to the issuance of both licenses shall
43 be paid in accordance with statutory law. The provisions of this
44 subsection shall not be construed to limit or restrict the rights and
45 privileges granted by the plenary retail consumption license held by
46 the holder of the restricted brewery license issued pursuant to this
47 subsection.

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1 The holder of this license shall be entitled to offer samples of its
2 product for promotional purposes at charitable or civic events off
3 the licensed premises pursuant to an annual permit issued by the
4 director.

5 For the purposes of this subsection, "sampling" means the selling
6 at a nominal charge or the gratuitous offering of an open container
7 not exceeding four ounces of any malt alcoholic beverage product.
8 For the purposes of this subsection, "product" means any malt
9 alcoholic beverage that is produced on the premises licensed under
10 this subsection.

11 Plenary winery license. 2a. Provided that the holder is engaged
12 in growing and cultivating grapes or fruit used in the production of
13 wine on at least three acres on, or adjacent to, the winery premises,
14 the holder of this license shall be entitled, subject to rules and
15 regulations, to produce any fermented wines, and to blend, fortify
16 and treat wines, and to sell and distribute his products to
17 wholesalers licensed in accordance with this chapter and to
18 churches for religious purposes, and to sell and distribute without
19 this State to any persons pursuant to the laws of the places of such
20 sale and distribution, and to maintain a warehouse, and to sell his
21 products at retail to consumers on the licensed premises of the
22 winery for consumption on or off the premises and to offer samples
23 for sampling purposes only. The fee for this license shall be \$938.
24 A holder of this license who produces not more than 250,000
25 gallons per year shall also have the right to sell and distribute his
26 products to retailers licensed in accordance with this chapter, except
27 that the holder of this license shall not use a common carrier for
28 such distribution. The fee for this additional privilege shall be
29 graduated as follows: a licensee who manufactures more than
30 150,000 gallons, but not in excess of 250,000 gallons per annum,
31 \$1,000; a licensee who manufactures more than 100,000 gallons,
32 but not in excess of 150,000 gallons per annum, \$500; a licensee
33 who manufactures more than 50,000 gallons, but not in excess of
34 100,000 gallons per annum, \$250; a licensee who manufactures
35 50,000 gallons or less per annum, \$100. A holder of this license
36 who produces not more than 250,000 gallons per year shall have the
37 right to sell such wine at retail in original packages in 15
38 salesrooms apart from the winery premises for consumption on or
39 off the premises and for sampling purposes for consumption on the
40 premises, at a fee of \$250 for each salesroom. Licensees shall not
41 jointly control and operate salesrooms. Additionally, the holder of
42 this license who produces not more than 250,000 gallons per year
43 may ship not more than 12 cases of wine per year, subject to
44 regulation, to any person within or without this State over 21 years
45 of age for personal consumption and not for resale. A case of wine
46 shall not exceed a maximum of nine liters. A copy of the original
47 invoice shall be available for inspection by persons authorized to
48 enforce the alcoholic beverage laws of this State for a minimum

1 period of three years at the licensed premises of the winery. For the
2 purposes of this subsection, "sampling" means the selling at a
3 nominal charge or the gratuitous offering of an open container not
4 exceeding one and one-half ounces of any wine.

5 A holder of this license who produces not more than 250,000
6 gallons per year shall not own, either in whole or in part, or hold,
7 either directly or indirectly, any interest in a winery that produces
8 more than 250,000 gallons per year. In addition, a holder of this
9 license who produces more than 250,000 gallons per year shall not
10 own, either in whole or in part, or hold, either directly or indirectly,
11 any interest in a winery that produces not more than 250,000
12 gallons per year. For the purposes of this subsection, "product"
13 means any wine that is produced, blended, fortified, or treated by
14 the licensee on its licensed premises situated in the State of New
15 Jersey. For the purposes of this subsection, "wine" shall include
16 "hard cider" and "mead" as defined in this section.

17 Farm winery license. 2b. The holder of this license shall be
18 entitled, subject to rules and regulations, to manufacture any
19 fermented wines and fruit juices in a quantity to be expressed in
20 said license, dependent upon the following fees and not in excess of
21 50,000 gallons per year and to sell and distribute his products to
22 wholesalers and retailers licensed in accordance with this chapter
23 and to churches for religious purposes and to sell and distribute
24 without this State to any persons pursuant to the laws of the places
25 of such sale and distribution, and to maintain a warehouse and to
26 sell at retail to consumers for consumption on or off the licensed
27 premises and to offer samples for sampling purposes only. The
28 license shall be issued only when the winery at which such
29 fermented wines and fruit juices are manufactured is located and
30 constructed upon a tract of land exclusively under the control of the
31 licensee, provided that the licensee is actively engaged in growing
32 and cultivating an area of not less than three acres on or adjacent to
33 the winery premises and on which are growing grape vines or fruit
34 to be processed into wine or fruit juice; and provided, further, that
35 for the first five years of the operation of the winery such fermented
36 wines and fruit juices shall be manufactured from at least 51
37 percent grapes or fruit grown in the State and that thereafter they
38 shall be manufactured from grapes or fruit grown in this State at
39 least to the extent required for labeling as "New Jersey Wine" under
40 the applicable federal laws and regulations, except as provided in
41 section 2 of P.L. , c. (C.) (pending before the Legislature
42 as this bill). The containers of all wine sold to consumers by such
43 licensee shall have affixed a label stating such information as shall
44 be required by the rules and regulations of the Director of the
45 Division of Alcoholic Beverage Control. The fee for this license
46 shall be graduated as follows: to so manufacture between 30,000
47 and 50,000 gallons per annum, \$375; to so manufacture between
48 2,500 and 30,000 gallons per annum, \$250; to so manufacture

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1 between 1,000 and 2,500 gallons per annum, \$125; to so
2 manufacture less than 1,000 gallons per annum, \$63. No farm
3 winery license shall be held by the holder of a plenary winery
4 license or be situated on a premises licensed as a plenary winery.

5 The holder of this license shall also have the right to sell and
6 distribute his products to retailers licensed in accordance with this
7 chapter, except that the holder of this license shall not use a
8 common carrier for such distribution. The fee for this additional
9 privilege shall be \$100. The holder of this license shall have the
10 right to sell his products in original packages at retail to consumers
11 in 15 salesrooms apart from the winery premises for consumption
12 on or off the premises, and for sampling purposes for consumption
13 on the premises, at a fee of \$250 for each salesroom. Licensees
14 shall not jointly control and operate salesrooms. Additionally, the
15 holder of this license may ship not more than 12 cases of wine per
16 year, subject to regulation, to any person within or without this
17 State over 21 years of age for personal consumption and not for
18 resale. A case of wine shall not exceed a maximum of nine liters. A
19 copy of the original invoice shall be available for inspection by
20 persons authorized to enforce the alcoholic beverage laws of this
21 State for a minimum period of three years at the licensed premises
22 of the winery. For the purposes of this subsection, "sampling"
23 means the selling at a nominal charge or the gratuitous offering of
24 an open container not exceeding one and one-half ounces of any
25 wine.

26 A holder of this license who produces not more than 250,000
27 gallons per year shall not own, either in whole or in part, or hold,
28 either directly or indirectly, any interest in a winery that produces
29 more than 250,000 gallons per year.

30 Unless otherwise indicated, for the purposes of this subsection,
31 with respect to farm winery licenses, "manufacture" means the
32 vinification, aging, storage, blending, clarification, stabilization and
33 bottling of wine or juice from New Jersey fruit to the extent
34 required by this subsection.

35 For the purposes of this subsection, "wine" shall include "hard
36 cider" and "mead" as defined in this section.

37 Wine blending license. 2c. The holder of this license shall be
38 entitled, subject to rules and regulations, to blend, treat, mix, and
39 bottle fermented wines and fruit juices with non-alcoholic
40 beverages, and to sell and distribute his products to wholesalers and
41 retailers licensed in accordance with this chapter, and to sell and
42 distribute without this State to any persons pursuant to the laws of
43 the places of such sale and distribution, and to maintain a
44 warehouse. The fee for this license shall be \$625.

45 For the purposes of this subsection, "wine" shall include "hard
46 cider" and "mead" as defined in this section.

47 Instructional winemaking facility license. 2d. The holder of this
48 license shall be entitled, subject to rules and regulations, to instruct

1 persons in and provide them with the opportunity to participate
2 directly in the process of winemaking and to directly assist such
3 persons in the process of winemaking while in the process of
4 instruction on the premises of the facility. The holder of this
5 license also shall be entitled to manufacture wine on the premises
6 not in excess of an amount of 10 percent of the wine produced
7 annually on the premises of the facility, which shall be used only to
8 replace quantities lost or discarded during the winemaking process,
9 to maintain a warehouse, and to offer samples produced by persons
10 who have received instruction in winemaking on the premises by
11 the licensee for sampling purposes only on the licensed premises for
12 the purpose of promoting winemaking for personal or household use
13 or consumption. Wine produced on the premises of an instructional
14 winemaking facility shall be used, consumed or disposed of on the
15 facility's premises or distributed from the facility's premises to a
16 person who has participated directly in the process of winemaking
17 for the person's personal or household use or consumption. The
18 holder of this license may sell mercantile items traditionally
19 associated with winemaking and novelty wearing apparel identified
20 with the name of the establishment licensed under the provisions of
21 this section. The holder of this license may use the licensed
22 premises for an event or affair, including an event or affair at which
23 a plenary retail consumption licensee serves alcoholic beverages in
24 compliance with all applicable statutes and regulations promulgated
25 by the director. The fee for this license shall be \$1,000. For the
26 purposes of this subsection, "sampling" means the gratuitous
27 offering of an open container not exceeding one and one-half
28 ounces of any wine.

29 For the purposes of this subsection, "wine" shall include "hard
30 cider" and "mead" as defined in this section.

31 Out-of-State winery license. 2e. Provided that the applicant
32 does not produce more than 250,000 gallons of wine per year, the
33 holder of a valid winery license issued in any other state may make
34 application to the director for this license. The holder of this license
35 shall have the right to sell and distribute his products to wholesalers
36 licensed in accordance with this chapter and to sell such wine at
37 retail in original packages in 16 salesrooms apart from the winery
38 premises for consumption on or off the premises at a fee of \$250 for
39 each salesroom. Licensees shall not jointly control and operate
40 salesrooms. The annual fee for this license shall be \$938. A copy
41 of a current license issued by another state shall accompany the
42 application. The holder of this license also shall have the right to
43 sell and distribute his products to retailers licensed in accordance
44 with this chapter, except that the holder of this license shall not use
45 a common carrier for such distribution. The fee for this additional
46 privilege shall be graduated as follows: a licensee who
47 manufactures more than 150,000 gallons, but not in excess of
48 250,000 gallons per annum, \$1,000; a licensee who manufactures

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1 more than 100,000 gallons, but not in excess of 150,000 gallons per
2 annum, \$500; a licensee who manufactures more than 50,000
3 gallons, but not in excess of 100,000 gallons per annum, \$250; a
4 licensee who manufactures 50,000 gallons or less per annum, \$100.
5 Additionally, the holder of this license may ship not more than 12
6 cases of wine per year, subject to regulation, to any person within or
7 without this State over 21 years of age for personal consumption
8 and not for resale. A case of wine shall not exceed a maximum of
9 nine liters. A copy of the original invoice shall be available for
10 inspection by persons authorized to enforce the alcoholic beverage
11 laws of this State for a minimum period of three years at the
12 licensed premises of the winery.

13 The licensee shall collect from the customer the tax due on the
14 sale pursuant to the "Sales and Use Tax Act," P.L.1966, c.30
15 (C.54:32B-1 et seq.) and shall pay the tax due on the delivery of
16 alcoholic beverages pursuant to the "Alcoholic beverage tax law,"
17 R.S.54:41-1 et seq. The Director of the Division of Taxation in the
18 Department of the Treasury shall promulgate such rules and
19 regulations necessary to effectuate the provisions of this paragraph,
20 and may provide by regulation for the co-administration of the tax
21 due on the delivery of alcoholic beverages pursuant to the
22 "Alcoholic beverage tax law," R.S.54:41-1 et seq. with the
23 administration of the tax due on the sale pursuant to the "Sales and
24 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

25 A holder of this license who produces not more than 250,000
26 gallons per year shall not own, either in whole or in part, or hold,
27 either directly or indirectly, any interest in a winery that produces
28 more than 250,000 gallons per year.

29 For the purposes of this subsection, "wine" shall include "hard
30 cider" and "mead" as defined in this section.

31 Cidery and meadery license. 2f. The holder of this license shall
32 be entitled, subject to rules and regulations, to manufacture hard
33 cider and mead and to sell and distribute these products to
34 wholesalers and retailers licensed in accordance with this chapter,
35 and to sell and distribute without this State to any persons pursuant
36 to the laws of the places of such sale and distribution, and to
37 maintain a warehouse. The holder of this license shall be entitled to
38 sell these products at retail to consumers on the licensed premises
39 for consumption on or off the premises and to offer samples for
40 sampling purposes only. The holder of this license shall be
41 permitted to offer for sale or make the gratuitous offering of
42 packaged crackers, chips, nuts, and similar snacks to consumers, but
43 shall not operate a restaurant on the licensed premises. The fee for
44 this license shall be \$938.

45 The holder of this license shall be entitled to manufacture hard
46 cider in a quantity not to exceed 50,000 barrels of 31 fluid gallons
47 capacity per year. With respect to the sale and distribution of hard
48 cider to a wholesaler, the licensee shall be subject to the same

1 statutory and regulatory requirements as a brewer, and hard cider
2 shall be considered a malt alcoholic beverage, for the purposes of
3 the "Malt Alcoholic Beverage Practices Act," P.L.2005, c.243
4 (C.33:1-93.12 et seq.). The holder of this license shall not directly
5 ship hard cider either within or without this State.

6 The holder of this license shall be entitled to manufacture not
7 more than 250,000 gallons of mead per year. The holder of this
8 license may ship not more than 12 cases of mead per year, subject
9 to regulation, to any person within or without this State over 21
10 years of age for personal consumption and not for resale. A case of
11 mead shall not exceed a maximum of nine liters. A copy of the
12 original invoice shall be available for inspection by persons
13 authorized to enforce the alcoholic beverage laws of this State for a
14 minimum period of three years at the licensed premises. As used in
15 this subsection:

16 "Hard cider" means a fermented alcoholic beverage derived
17 primarily from apples, pears, apple juice concentrate and water, or
18 pear juice concentrate and water, which may include spices, herbs,
19 honey, or other flavoring, and which contains at least one half of
20 one percent but less than eight and one half percent alcohol by
21 volume.

22 "Mead" means an alcoholic beverage primarily made from
23 honey, water, and yeast, and which may contain fruit, fruit juices,
24 spices, or herbs added before or after fermentation has completed,
25 except that the ratio of fermentable sugars from fruit or fruit juices
26 shall not exceed 49 percent of the total fermentable sugars used to
27 produce mead.

28 "Sampling" means the selling at a nominal charge or the
29 gratuitous offering of an open container not exceeding four ounces
30 of hard cider or mead produced on the licensed premises.

31 Plenary distillery license. 3a. The holder of this license shall be
32 entitled, subject to rules and regulations, to manufacture any
33 distilled alcoholic beverages and rectify, blend, treat and mix, and
34 to sell and distribute his products to wholesalers and retailers
35 licensed in accordance with this chapter, and to sell and distribute
36 without this State to any persons pursuant to the laws of the places
37 of such sale and distribution, and to maintain a warehouse. The fee
38 for this license shall be \$12,500.

39 Limited distillery license. 3b. The holder of this license shall be
40 entitled, subject to rules and regulations, to manufacture and bottle
41 any alcoholic beverages distilled from fruit juices and rectify,
42 blend, treat, mix, compound with wine and add necessary
43 sweetening and flavor to make cordial or liqueur, and to sell and
44 distribute to wholesalers and retailers licensed in accordance with
45 this chapter, and to sell and distribute without this State to any
46 persons pursuant to the laws of the places of such sale and
47 distribution and to warehouse these products. The fee for this
48 license shall be \$3,750.

1 Supplementary limited distillery license. 3c. The holder of this
2 license shall be entitled, subject to rules and regulations, to bottle
3 and rebottle, in a quantity to be expressed in said license, dependent
4 upon the following fees, alcoholic beverages distilled from fruit
5 juices by such holder pursuant to a prior plenary or limited distillery
6 license, and to sell and distribute his products to wholesalers and
7 retailers licensed in accordance with this chapter, and to sell and
8 distribute without this State to any persons pursuant to the laws of
9 the places of such sale and distribution, and to maintain a
10 warehouse. The fee for this license shall be graduated as follows:
11 to so bottle and rebottle not more than 5,000 wine gallons per
12 annum, \$313; to so bottle and rebottle not more than 10,000 wine
13 gallons per annum, \$625; to so bottle and rebottle without limit as
14 to amount, \$1,250.

15 Craft distillery license. 3d. The holder of this license shall be
16 entitled, subject to rules and regulations, to manufacture not more
17 than 20,000 gallons of distilled alcoholic beverages, to rectify,
18 blend, treat and mix distilled alcoholic beverages, to sell and
19 distribute this product to wholesalers and retailers licensed in
20 accordance with this chapter, and to sell and distribute without this
21 State to any persons pursuant to the laws of the places of such sale
22 and distribution, and to maintain a warehouse. The holder of this
23 license shall be entitled to sell this product at retail to consumers on
24 the licensed premises of the distillery for consumption on the
25 premises, but only in connection with a tour of the distillery, and
26 for consumption off the premises in a quantity of not more than five
27 liters per person. In addition, the holder of this license may offer
28 any person not more than three samples per calendar day for
29 sampling purposes only. For the purposes of this subsection,
30 "sampling" means the gratuitous offering of an open container not
31 exceeding one-half ounce serving of distilled alcoholic beverage
32 produced on the distillery premises. Nothing in this subsection shall
33 be deemed to permit the direct shipment of distilled spirits either
34 within or without this State.

35 The holder of this license shall not sell food or operate a
36 restaurant on the licensed premises. A holder of this license who
37 certifies that not less than 51 percent of the raw materials used in
38 the production of distilled alcoholic beverages under this section are
39 grown in this State or purchased from providers located in this State
40 may, consistent with all applicable federal laws and regulations,
41 label these distilled alcoholic beverages as "New Jersey Distilled."
42 The fee for this license shall be \$938.

43 Rectifier and blender license. 4. The holder of this license shall
44 be entitled, subject to rules and regulations, to rectify, blend, treat
45 and mix distilled alcoholic beverages, and to fortify, blend, and
46 treat fermented alcoholic beverages, and prepare mixtures of
47 alcoholic beverages, and to sell and distribute his products to
48 wholesalers and retailers licensed in accordance with this chapter,

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1 and to sell and distribute without this State to any persons pursuant
2 to the laws of the places of such sale and distribution, and to
3 maintain a warehouse. The fee for this license shall be \$7,500.

4 Bonded warehouse bottling license. 5. The holder of this license
5 shall be entitled, subject to rules and regulations, to bottle alcoholic
6 beverages in bond on behalf of all persons authorized by federal and
7 State law and regulations to withdraw alcoholic beverages from
8 bond. The fee for this license shall be \$625. This license shall be
9 issued only to persons holding permits to operate Internal Revenue
10 bonded warehouses pursuant to the laws of the United States.

11 The provisions of section 21 of P.L.2003, c.117 amendatory of
12 this section shall apply to licenses issued or transferred on or after
13 July 1, 2003, and to license renewals commencing on or after July
14 1, 2003.

15 (cf: P.L.2017, c.80, s.1)

16
17 2. (New section) a. The holder of a farm winery license may
18 apply to the director for a waiver from the requirement that
19 fermented wines and fruit juices shall be manufactured from at least
20 51 percent grapes or fruit grown in the State during the first five
21 years of the operation of the winery, pursuant to R.S.33:1-10.

22 b. The director shall grant a waiver provided the license holder:

23 (1) agrees to manufacture fermented wines and fruit juices with
24 at least the minimum percent of grapes or fruits grown in the State
25 required pursuant to R.S.33:1-10 as soon as practicable; and

26 (2) does not exceed the production volume of its highest
27 producing year when using grapes or fruit grown outside of New
28 Jersey.

29 c. The director may charge a reasonable fee to apply for this
30 waiver.

31 d. The director shall make a determination as to whether the
32 waiver shall be granted within 15 days of receipt of the application.

33
34 3. This act shall take effect on the first day of the third month
35 next following enactment, except the director may take any
36 anticipatory administrative action in advance as shall be necessary
37 for the implementation of this act.

38
39
40 **STATEMENT**

41
42 This bill authorizes the Director of the Division of Alcoholic
43 Beverage Control to waive the requirement that the holder of a farm
44 winery license manufacture fermented wines and fruit juices from at
45 least 51 percent grapes or fruit grown in the State during the first
46 five years of the winery's operation.

47 Specifically, the bill allows a farm winery licensee to apply to
48 the director for a waiver from the requirement in R.S.33:1-10 that

1 fermented wines and fruit juices be manufactured from at least 51
2 percent grapes or fruit grown in the State during the first five years
3 of the operation of the winery. A waiver would be granted provided
4 the licensee: (1) agrees to manufacture fermented wines and fruit
5 juices with the minimum percentage of grapes or fruits grown in the
6 State as soon as practicable; and (2) does not exceed the production
7 volume of its highest producing year when using grapes or fruit
8 grown outside of New Jersey. The bill also provides that the
9 director may charge a reasonable fee to apply for the waiver, and
10 requires the director to make a determination as to whether the
11 waiver will be granted within 15 days of receipt of the application.

12 Under current law, a farm winery licensee is required during the
13 first five years of operation to manufacture fermented wines and
14 fruit juices from at least 51 percent grapes or fruit grown in the
15 State, and thereafter manufacture fermented wines and fruit juices
16 from grapes or fruit grown in this State at least to the extent
17 required for labeling as “New Jersey Wine” under the applicable
18 federal laws and regulations.